

# REVENUE ESTIMATING CONFERENCE

## FISCAL YEAR 10 FORECAST

(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	FY09 Actual	Official Forecast 12/17/2009	Proposed DOA Forecast 4/14/2010	Proposed LFO Forecast 4/14/2010	DOA +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	19.6	19.6	18.7	19.6	(0.9)	-
Beer	37.3	36.5	35.3	36.5	(1.2)	-
Corporate Franchise	212.7	97.3	97.8	97.3	0.4	-
Corporate Income	612.5	345.1	280.5	295.1	(64.6)	(50.0)
<i>Total Corp Fran. &amp; Inc.</i>	825.2	442.4	378.2	392.4	(64.2)	(50.0)
Gasoline & Special Fuels	590.5	565.4	591.2	581.8	25.8	16.4
Gift	1.8	-	-	-	-	-
Hazardous Waste	3.6	3.1	3.5	2.7	0.4	(0.4)
Individual Income	2,966.1	2,593.0	2,379.1	2,467.0	(213.9)	(126.0)
Inheritance	3.2	1.4	1.0	2.0	(0.4)	0.6
Natural Gas Franchise	4.0	2.5	4.0	2.0	1.5	(0.5)
Public Utilities	16.1	5.0	5.1	5.0	0.1	-
Auto Rental Excise	5.2	4.0	5.2	4.5	1.2	0.5
Sales Tax - General	2,762.5	2,363.3	2,284.2	2,253.0	(79.0)	(110.3)
Severance	870.3	888.6	790.5	755.7	(98.1)	(132.9)
Special Fuels	-	-	-	-	-	-
Supervision/Inspection Fee	8.8	6.5	8.9	6.5	2.4	-
Tobacco	147.3	126.9	135.0	134.1	8.1	7.2
Unclaimed Property	27.0	32.0	28.2	36.0	(3.8)	4.0
Miscellaneous Receipts	6.5	6.5	6.7	6.5	0.2	-
<b>Total-Dept. of Revenue</b>	<b>8,295.2</b>	<b>7,096.6</b>	<b>6,675.0</b>	<b>6,705.3</b>	<b>-421.6</b>	<b>-391.4</b>
Royalties	517.2	433.5	381.1	421.8	(52.5)	(11.7)
Rentals	20.5	24.0	15.2	24.0	(8.8)	-
Bonuses	134.1	20.0	25.5	24.0	5.5	4.0
Mineral Interest	1.9	2.5	2.0	3.0	(0.5)	0.5
<b>Total-Natural Res.</b>	<b>673.7</b>	<b>480.0</b>	<b>423.7</b>	<b>472.8</b>	<b>(66.3)</b>	<b>(7.2)</b>
Interest Earnings (SGF)	169.0	130.0	151.0	154.0	21.0	24.0
Interest Earnings (TTF)	6.8	6.8	6.8	2.0	-	(4.8)
Var. Agy. Receipts	45.8	44.3	41.3	44.3	(3.0)	-
Agency SGR Over-Collections	20.4	20.4	18.1	20.4	(2.2)	-
Bond Reimbursements	4.0	4.0	4.0	4.0	(0.0)	-
Quality Ed. Support Fund	69.0	45.0	69.0	45.0	24.0	-
Lottery Proceeds	132.1	136.3	136.3	137.9	0.0	1.6
Land-based Casino	81.9	72.8	74.8	74.0	2.0	1.2
Tobacco Settlement	74.1	67.4	63.4	63.4	(4.0)	(4.0)
DHH Provider Fees	110.3	106.1	107.8	106.1	1.7	-
<b>Total Treasury</b>	<b>713.3</b>	<b>633.1</b>	<b>672.6</b>	<b>651.1</b>	<b>39.5</b>	<b>18.0</b>
Excise License	320.8	335.4	341.0	370.4	5.6	35.0
Ins. Rating Fees (SGF)	54.8	57.4	54.9	54.9	(2.4)	(2.5)
<b>Total-Insurance</b>	<b>375.6</b>	<b>392.8</b>	<b>395.9</b>	<b>425.3</b>	<b>3.2</b>	<b>32.5</b>
Misc. DPS Permits & ABC Permits	11.0	9.0	11.0	9.2	2.1	0.2
Titles	23.2	18.7	23.3	21.3	4.6	2.6
Vehicle Licenses	106.1	83.1	96.4	99.5	13.3	16.4
Vehicle Sales Tax	308.3	256.3	256.9	263.2	0.6	6.9
Riverboat Gaming	374.8	365.6	364.4	358.7	(1.2)	(6.9)
Racetrack slots	62.1	56.7	60.0	58.8	3.3	2.1
Video Draw Poker	212.1	199.4	194.9	195.1	(4.5)	(4.3)
<b>Total-Public Safety</b>	<b>1,097.7</b>	<b>988.8</b>	<b>1,007.0</b>	<b>1,005.8</b>	<b>18.2</b>	<b>17.1</b>
<b>Total Taxes, Lic., Fees</b>	<b>11,155.5</b>	<b>9,591.2</b>	<b>9,174.2</b>	<b>9,260.3</b>	<b>-417.0</b>	<b>-330.9</b>
<i>Less: Dedications</i>	<i>(1,769.7)</i>	<i>(1,728.3)</i>	<i>(1,747.8)</i>	<i>(1,716.4)</i>	<i>(19.4)</i>	<i>11.9</i>
<i>Less: NOW Waiver Fund Allocation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-</i>	<i>-</i>

STATE GENERAL FUND REVENUE - DIRECT	9,385.8	7,862.9	7,426.5	7,543.9	-436.4	-319.0
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Budget Stabilization Fund resources available { as per HCR 236 of 2009R and REC action of 8/17/2009 }	86,177,032.33	86,177,032.33	86,177,032.33
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FY10 Revenue Forecast With Budget Stabilization Funds		7,949.1	7,512.6	7,630.1
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Oil Price (\$/barrel)	\$69.32	\$69.25	\$71.43	(\$0.07)	\$2.11
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*Some columns and lines do not add precisely due to rounding.*

# REVENUE ESTIMATING CONFERENCE

## FISCAL YEAR 10 FORECAST

(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	FY09 Actual	Official Forecast 12/17/2009	Proposed DOA Forecast 4/14/2010	Proposed LFO Forecast 4/14/2010	DOA +(-) Official Forecast	LFO +(-) Official Forecast
ADOPTED						
Transp. Trust/Motor Fuels/93% Veh. Sales	472.4	452.3	473.0	465.4	20.6	13.1
Transp. Mobility Fund / 7% Veh. Sales		0.0	0.0	0.0	-	-
Motor Vehicles Lic. - TTF	43.0	35.7	41.9	42.8	6.2	7.1
Aviation Tax - TTF	9.7	29.8	29.8	29.8	0.0	-
TTF/Interest and Fees	37.1	37.1	28.8	32.3	(8.3)	(4.8)
Motor Fuels - TIME Program	118.1	113.1	118.2	116.4	5.2	3.3
Motor Veh.Lic - Hwy Fund #2	10.7	9.5	11.0	11.3	1.5	1.9
State Highway Improvement Fund	14.5	37.4	18.3	18.9	(19.1)	(18.5)
Severance Tax -Parishes	42.2	44.4	39.3	37.8	(5.1)	(6.6)
Severance Tax - Forest Prod. Fund	2.6	2.6	2.7	2.6	0.1	-
Royalties - Parishes	51.2	43.4	38.1	42.2	(5.2)	(1.2)
Royalties-DNR/AG Support Fund	1.6	2.6	1.6	2.6	(1.0)	-
Wetlands Fund	33.9	30.5	27.6	27.8	(2.9)	(2.7)
Mineral Audit Settlement Fund	0.0	0.0	0.0	0.0	-	-
Quality Ed. Support Fund	69.0	45.0	69.0	45.0	24.0	-
LA Econ Dev Port Dev Infra Fund	0.0	0.0		0.0	-	-
Sales Tax Econ. Development	13.4	11.6	11.4	11.1	(0.1)	(0.5)
Tourist Promotion District	24.5	19.6	19.1	18.9	(0.6)	(0.8)
Excise Lic. - 2% Fire Ins.	16.6	17.4	16.4	19.2	(1.0)	1.8
Excise Lic. -Fire Mars. Fd.	13.7	14.3	13.4	15.8	(0.9)	1.5
Excise Lic. - LSU Fire Tr.	2.7	2.9	2.7	3.2	(0.2)	0.3
Insurance Fees	54.8	57.4	54.9	54.9	(2.4)	(2.5)
State Police Salary Fund	15.6	15.6	15.6	15.6	-	-
Video Draw Poker	61.5	61.5	60.1	60.4	(1.4)	(1.1)
Racetrack Slots	28.7	27.3	30.8	27.4	3.5	0.1
Lottery Proceeds Fund	131.6	135.8	135.8	137.4	0.0	1.6
SELF Fund	161.9	150.9	153.4	150.6	2.5	(0.3)
Riverboat 'Gaming' Enforce.	57.9	57.8	57.6	56.2	(0.2)	(1.6)
Compulsive Gaming Fund	2.5	2.5	2.5	2.5	-	-
Stabilization Fund	0.0	0.0	0.0	0.0	-	-
Hazardous Waste Funds	3.6	3.1	3.5	2.7	0.4	(0.4)
Supervision/Inspection Fee	8.8	6.5	8.9	6.5	2.4	-
Insp. Fee/Gasoline, Ag. Petr. Fund	5.5	4.9	5.5	5.1	0.6	0.1
Tobacco Settlement	74.1	67.4	63.4	63.4	(4.0)	(4.0)
Tob Tax Health Care Fd / Reg Enf Fd	42.2	37.6	40.5	39.7	2.9	2.1
Rapid Response Fund/Econ Dev	8.8	10.0	10.0	10.0	-	-
Rapid Response Fund/Workforce	10.0	9.9	10.0	9.9	0.1	-
Unclaimed Property / I-49	15.0	15.0	15.0	15.0	-	-
Capitol Tech	0.0	10.0	10.0	10.0	-	-
DHH Provider Fees	110.3	106.1	107.8	106.1	1.7	-
<b>Total Dedications</b>	<b>1,769.7</b>	<b>1,728.3</b>	<b>1,747.8</b>	<b>1,716.4</b>	<b>19.4</b>	<b>-11.9</b>

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# REVENUE ESTIMATING CONFERENCE

## FISCAL YEAR 11 FORECAST

(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/17/2009	Proposed DOA Forecast 4/14/2010	Proposed LFO Forecast 4/14/2010	DOA +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	19.0	18.7	19.0	(0.3)	-
Beer	36.5	35.6	36.5	(0.9)	-
Corporate Franchise	50.4	92.1	50.4	41.8	-
Corporate Income	348.9	304.9	348.9	(44.1)	-
<i>Total Corp Fran. &amp; Inc.</i>	399.3	397.0	399.3	(2.3)	-
Gasoline & Special Fuels	564.2	597.4	569.7	33.2	5.5
Gift	-	-	-	-	-
Hazardous Waste	3.1	3.5	3.0	0.4	(0.1)
Individual Income	2,711.0	2,515.1	2,565.2	(195.9)	(145.8)
Inheritance	1.4	1.0	1.4	(0.4)	-
Natural Gas Franchise	3.0	4.1	2.5	1.1	(0.5)
Public Utilities	5.0	5.2	5.0	0.2	-
Auto Rental Excise	4.5	5.3	5.0	0.8	0.5
Sales Tax - General	2,486.3	2,351.4	2,370.0	(134.9)	(116.3)
Severance	790.8	781.4	690.7	(9.4)	(100.1)
Special Fuels	-	-	-	-	-
Supervision/Inspection Fee	7.0	9.1	7.0	2.1	-
Tobacco	126.6	146.1	133.8	19.5	7.2
Unclaimed Property	32.0	29.4	36.0	(2.6)	4.0
Miscellaneous Receipts	6.5	6.8	6.5	0.4	-
<b>Total-Dept. of Revenue</b>	<b>7,196.1</b>	<b>6,907.0</b>	<b>6,850.5</b>	<b>-289.1</b>	<b>-345.6</b>
Royalties	476.2	480.0	504.2	3.8	28.0
Rentals	17.1	16.1	19.7	(1.1)	2.5
Bonuses	34.7	32.1	36.8	(2.5)	2.1
Mineral Interest	2.4	2.0	3.0	(0.4)	0.6
<b>Total-Natural Res.</b>	<b>530.4</b>	<b>530.2</b>	<b>563.7</b>	<b>(0.2)</b>	<b>33.3</b>
Interest Earnings (SGF)	110.0	138.4	134.0	28.4	24.0
Interest Earnings (TTF)	6.8	9.0	2.0	2.2	(4.8)
Var. Agy. Receipts	44.3	41.3	44.3	(3.0)	-
Agency SGR Over-Collections	20.4	18.1	20.4	(2.2)	-
Bond Reimbursements	4.0	4.0	4.0	(0.0)	-
Quality Ed. Support Fund	50.0	69.9	50.0	19.9	-
Lottery Proceeds	126.7	126.7	126.7	-	-
Land-based Casino	74.3	77.0	75.5	2.8	1.2
Tobacco Settlement	63.0	61.0	61.0	(2.0)	(2.0)
DHH Provider Fees	106.1	111.0	106.1	4.9	-
<b>Total Treasury</b>	<b>605.6</b>	<b>656.4</b>	<b>624.0</b>	<b>50.8</b>	<b>18.4</b>
Excise License	352.4	352.9	372.3	0.5	19.9
Ins. Rating Fees (SGF)	60.3	58.0	55.8	(2.3)	(4.4)
<b>Total-Insurance</b>	<b>412.7</b>	<b>410.9</b>	<b>428.1</b>	<b>-1.8</b>	<b>15.5</b>
Misc. DPS Permits & ABC Permits	9.2	11.1	9.4	1.9	0.1
Titles	19.2	23.8	21.7	4.6	2.4
Vehicle Licenses	87.3	97.5	102.1	10.2	14.8
Vehicle Sales Tax	263.5	277.4	267.3	13.9	3.8
Riverboat Gaming	367.0	375.4	361.1	8.4	(5.9)
Racetrack slots	58.0	65.2	60.0	7.2	2.0
Video Draw Poker	202.7	201.6	198.3	(1.1)	(4.4)
<b>Total-Public Safety</b>	<b>1,007.0</b>	<b>1,052.0</b>	<b>1,019.8</b>	<b>45.0</b>	<b>12.8</b>
<b>Total Taxes, Lic., Fees</b>	<b>9,751.7</b>	<b>9,556.5</b>	<b>9,486.2</b>	<b>-195.2</b>	<b>-265.5</b>
<i>Less: Dedications</i>	<i>(1,730.6)</i>	<i>(1,777.6)</i>	<i>(1,709.8)</i>	<i>(47.0)</i>	<i>20.8</i>
<i>Less: NOW Waiver Fund Allocation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-</i>	<i>-</i>
<b>STATE GENERAL FUND REVENUE - DIRECT</b>	<b>8,021.1</b>	<b>7,778.9</b>	<b>7,776.4</b>	<b>-242.2</b>	<b>-244.7</b>
Oil Price (\$/barrel)	\$65.64	\$74.58	\$72.43	\$8.94	\$6.79

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# REVENUE ESTIMATING CONFERENCE

## FISCAL YEAR 11 FORECAST

(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/17/2009	Proposed DOA Forecast 4/14/2010	Proposed LFO Forecast 4/14/2010	DOA +(-) Official Forecast	LFO +(-) Official Forecast
<b>ADOPTED</b>					
Transp. Trust/Motor Fuels/93% Veh. Sales	451.4	477.9	455.8	26.6	4.4
Transp. Mobility Fund / 7% Veh. Sales	0.0	0.0	0.0	-	-
Motor Vehicles Lic. - TTF	37.5	42.4	43.9	4.8	6.4
Aviation Tax - TTF	29.8	29.8	29.8	0.0	-
TTF/Interest and Fees	37.1	31.0	32.3	(6.1)	(4.8)
Motor Fuels - TIME Program	112.8	119.5	113.9	6.6	1.1
Motor Veh.Lic - Hwy Fund #2	10.0	11.1	11.6	1.1	1.7
State Highway Improvement Fund	39.3	18.5	19.4	(20.7)	(19.9)
Severance Tax -Parishes	39.5	38.9	34.5	(0.7)	(5.0)
Severance Tax - Forest Prod. Fund	2.6	2.5	2.6	(0.1)	-
Royalties - Parishes	47.6	48.0	50.4	0.4	2.8
Royalties-DNR/AG Support Fund	2.6	1.6	2.6	(1.0)	-
Wetlands Fund	29.5	29.4	28.2	(0.2)	(1.3)
Mineral Audit Settlement Fund	0.0	0.0	0.0	-	-
Quality Ed. Support Fund	50.0	69.9	50.0	19.9	-
LA Econ Dev Port Dev Infra Fund	0.0		0.0	-	-
Sales Tax Econ. Development	12.2	11.8	11.7	(0.3)	(0.5)
Tourist Promotion District	20.6	19.7	19.8	(0.9)	(0.8)
Excise Lic. - 2% Fire Ins.	18.3	16.9	19.3	(1.4)	1.0
Excise Lic. -Fire Mars. Fd.	15.0	13.9	15.9	(1.1)	0.8
Excise Lic. - LSU Fire Tr.	3.0	2.8	3.2	(0.2)	0.2
Insurance Fees	60.3	58.0	55.8	(2.3)	(4.4)
State Police Salary Fund	15.6	15.6	15.6	-	-
Video Draw Poker	62.4	61.9	61.2	(0.5)	(1.2)
Racetrack Slots	27.4	32.7	27.5	5.3	0.1
Lottery Proceeds Fund	126.2	126.2	126.2	-	-
SELF Fund	152.7	158.0	152.6	5.3	(0.0)
Riverboat 'Gaming' Enforce.	58.0	58.6	56.5	0.6	(1.4)
Compulsive Gaming Fund	2.5	2.5	2.5	-	-
Stabilization Fund	0.0	0.0	0.0	-	-
Hazardous Waste Funds	3.1	3.5	3.0	0.4	(0.1)
Supervision/Inspection Fee	7.0	9.1	7.0	2.1	-
Insp. Fee/Gasoline, Ag. Petr. Fund	5.0	5.0	5.1	(0.0)	0.0
Tobacco Settlement	63.0	61.0	61.0	(2.0)	(2.0)
Tob Tax Health Care Fd / Reg Enf Fd	37.5	43.8	39.6	6.4	2.1
Rapid Response Fund/Econ Dev	10.0	10.0	10.0	-	-
Rapid Response Fund/Workforce	10.0	10.0	10.0	-	-
Unclaimed Property / I-49	15.0	15.0	15.0	-	-
Capitol Tech	10.0	10.0	10.0	-	-
DHH Provider Fees	106.1	111.0	106.1	4.9	-
<b>Total Dedications</b>	<b>1,730.6</b>	<b>1,777.6</b>	<b>1,709.8</b>	<b>47.0</b>	<b>-20.8</b>

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# REVENUE ESTIMATING CONFERENCE

## FISCAL YEAR 12-14 FORECAST

(In Million \$)

	ADOPTED LFO FY12	ADOPTED LFO FY13	ADOPTED LFO FY14
REVENUE SOURCE / Dedications	4/14/10	4/14/10	4/14/10
Alcoholic Beverage	19.0	19.0	19.0
Beer	36.5	36.5	36.5
Corporate Franchise	45.7	34.8	37.2
Corporate Income	335.5	304.3	311.2
<i>Total Corp Fran. &amp; Inc.</i>	381.2	339.1	348.4
Gasoline & Special Fuels	567.9	578.1	592.9
Gift	0.0	0.0	0.0
Hazardous Waste	3.1	3.2	3.1
Individual Income	2,742.7	2,936.3	3,098.7
Inheritance	1.0	0.6	0.3
Natural Gas Franchise	3.5	4.0	4.5
Public Utilities	5.0	5.0	5.0
Auto Rental Excise	5.0	5.0	5.0
Sales Tax - General	2,454.0	2,546.0	2,647.0
Severance	760.3	806.7	851.3
Special Fuels			
Supervision/Inspection Fee	7.5	8.0	8.5
Tobacco	133.5	121.1	120.6
Unclaimed Property	36.0	36.0	36.0
Miscellaneous Receipts	6.5	6.5	6.5
<b>Total-Dept. of Revenue</b>	<b>7,162.7</b>	<b>7,451.1</b>	<b>7,783.3</b>
Royalties	581.0	652.7	694.3
Rentals	22.7	25.5	27.1
Bonuses	42.4	47.6	50.7
Mineral Interest	3.0	3.0	3.0
<b>Total-Natural Res.</b>	<b>649.1</b>	<b>728.8</b>	<b>775.1</b>
Interest Earnings (SGF)	124.0	114.0	94.0
Interest Earnings (TTF)	2.0	2.0	2.0
Var. Agy. Receipts	44.3	44.3	44.3
Agency SGR Over-Collections	20.4	20.4	20.4
Bond Reimbursements	4.0	4.0	4.0
Quality Ed. Support Fund	55.0	60.0	65.0
Lottery Proceeds	126.7	126.7	126.7
Land-based Casino	77.7	80.9	84.9
Tobacco Settlement	64.0	65.0	66.2
DHH Provider Fees	106.1	106.1	106.1
<b>Total Treasury</b>	<b>624.2</b>	<b>623.3</b>	<b>613.6</b>
Excise License	375.4	389.1	407.7
Ins. Rating Fees (SGF)	56.3	58.4	61.2
<b>Total-Insurance</b>	<b>431.7</b>	<b>447.5</b>	<b>468.9</b>
Misc. DPS Permits & ABC Permits	10.5	11.3	11.7
Titles	24.2	26.3	27.2
Vehicle Licenses	112.6	121.7	125.8
Vehicle Sales Tax	298.9	324.2	335.6
Riverboat Gaming	366.4	374.7	380.9
Racetrack slots	62.0	65.0	67.0
Video Draw Poker	201.6	206.7	210.6
<b>Total-Public Safety</b>	<b>1,076.2</b>	<b>1,129.9</b>	<b>1,158.8</b>
<b>Total Taxes, Lic., Fees</b>	<b>9,943.9</b>	<b>10,380.6</b>	<b>10,799.7</b>
<i>Less: Dedications</i>	<i>(1,745.4)</i>	<i>(1,789.7)</i>	<i>(1,835.7)</i>
<i>Less: NOW Waiver Fund Allocation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>STATE GENERAL FUND REVENUE - DIRECT</b>	<b>8,198.5</b>	<b>8,590.9</b>	<b>8,964.0</b>
Oil Price (\$/barrel)	\$76.50	\$77.18	\$78.78

Some columns and lines do not add precisely due to rounding.

# REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 12-14 FORECAST

(In Million \$)

	ADOPTED LFO FY12	ADOPTED LFO FY13	ADOPTED LFO FY14
REVENUE SOURCE / Dedications	4/14/10	4/14/10	4/14/10
	ADOPTED	ADOPTED	ADOPTED
Transp. Trust/Motor Fuels/93% Veh. Sales	454.3	462.5	474.3
Transp. Mobility Fund / 7% Veh. Sales	0.0	0.0	0.0
Motor Vehicles Lic. - TTF	48.4	52.3	54.1
Aviation Tax - TTF	29.8	29.8	29.8
TTF/Interest and Fees	32.3	32.3	32.3
Motor Fuels - TIME Program	113.6	115.6	118.6
Motor Veh.Lic - Hwy Fund #2	12.8	13.9	14.3
State Highway Improvement Fund	21.4	23.1	23.9
Severance Tax -Parishes	38.0	40.3	42.6
Severance Tax - Forest Prod. Fund	2.6	2.6	2.6
Royalties - Parishes	58.1	65.3	69.4
Royalties-DNR/AG Support Fund	2.6	2.6	2.6
Wetlands Fund	31.1	33.4	35.1
Mineral Audit Settlement Fund	0.0	0.0	0.0
Quality Ed. Support Fund	55.0	60.0	65.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0
Sales Tax Econ. Development	12.2	12.7	13.2
Tourist Promotion District	20.6	21.5	22.4
Excise Lic. - 2% Fire Ins.	19.5	20.2	21.2
Excise Lic. -Fire Mars. Fd.	16.0	16.6	17.4
Excise Lic. - LSU Fire Tr.	3.2	3.3	3.5
Insurance Fees	56.3	58.4	61.2
State Police Salary Fund	15.6	15.6	15.6
Video Draw Poker	62.1	63.5	64.5
Racetrack Slots	27.6	27.7	27.8
Lottery Proceeds Fund	126.2	126.2	126.2
SELF Fund	156.0	160.9	166.3
Riverboat 'Gaming' Enforce.	57.4	58.7	59.6
Compulsive Gaming Fund	2.5	2.5	2.5
Stabilization Fund	0.0	0.0	0.0
Hazardous Waste Funds	3.1	3.2	3.1
Supervision/Inspection Fee	7.5	8.0	8.5
Insp. Fee/Gasoline, Ag. Petr. Fund	4.9	5.0	5.2
Tobacco Settlement	64.0	65.0	66.2
Tob Tax Health Care Fd / Reg Enf Fd	39.5	35.9	35.7
Rapid Response Fund/Econ Dev	10.0	10.0	10.0
Rapid Response Fund/Workforce	10.0	10.0	10.0
Unclaimed Property / I-49	15.0	15.0	15.0
Capitol Tech	10.0	10.0	10.0
DHH Provider Fees	106.1	106.1	106.1
<b>Total Dedications</b>	<b>1,745.4</b>	<b>1,789.7</b>	<b>1,835.7</b>

Some columns and lines do not add precisely due to rounding.

**REVENUE ESTIMATING CONFERENCE**  
**April 14, 2010**

**Legislative Fiscal Office**  
**State General Fund Revenue Forecast**  
(millions of \$)

	FY09	FY10	FY11	FY12	FY13	FY14
SGF Revenue	\$9,386	\$7,544	\$7,776	\$8,199	\$8,591	\$8,964
Forecast Change		-\$319	-\$245	-\$2	\$191	\$315
Yr/Yr \$ Chg.	-\$783	-\$1,842	\$233	\$422	\$393	\$373
Yr/Yr % Chg.	-7.7%	-19.6%	3.1%	5.4%	4.8%	4.3%

The national recession has hit FY10 in a big way. After three post-hurricane years of substantial revenue growth (five years including the two years before the storms), general fund revenue fell by \$783 million or 7.7% during FY09, and is projected fall by another \$1.8 billion in FY10. Recovery is still expected to start during FY11, strengthen into FY12, and stabilize beyond. While the strong growth surges or step-ups in revenue experienced in the FY04 - FY08 years are not likely to occur again, the forecast has reasonable growth in it for FY11 and accelerates into FY12 and beyond. Once the recession effects pass and the state fisc has digested tax cuts that should be fully in place by the end of FY10, growth will be driven by employment and incomes returning to more normal paths. Spending and income based revenues have weakened considerably in FY10 but will exhibit growth in subsequent years. Since these revenues comprise a large share of the state revenue pie, they will drive the overall revenue forecast.

However, a caution must be included in this outlook to the extent it relies on rising mineral revenues. Even though mineral revenue forecasts are being cut in the current year, the year-over-year growth is a material share of the overall revenue growth as higher energy prices work their way into annual forecasts.

All FY10 performance discussed here is exclusive of tax amnesty receipts (Act 519 of the 2009 Regular Session). This program has resulted in nearly \$482 million of receipts. Approximately 97% of these receipts are from business participants and 7% from individuals. About 76% involve corporate income & franchise tax, 14% sales tax, and 8% individual income tax. Tax amnesty programs are largely accelerations of tax revenue that would otherwise be received through the dispute resolution process. Thus, while these receipts are available in FY10, the likely ongoing effect is to reduce collections in subsequent fiscal years. In addition, it is possible that a material portion of the program's corporate receipts may have been received in the current fiscal year (FY10) in the absence of the program. To the extent that might be the case, the program may have contributed to the sharp drop in normal corporate collections being experienced this fiscal year.

Risks to the forecast are still predominately to the downside. In virtually all cases where a downward revision has been made, the new forecast still presumes that revenue collections will finish the fiscal year ahead of where they are tracking as of March. The timing of a revenue turnaround has been missed, and while some improvement is still being forecast for FY10, there are only four collections months remaining (essentially through July for accrual accounting). Thus, the fiscal year finish can still be weaker than currently expected.

### **Oil and Gas Price Forecast**

	FY09	FY10	FY11	FY12	FY13	FY14
Oil \$/bbl, WTI	\$69.71	\$71.43	\$72.43	\$76.50	\$77.18	\$78.78
Forecast Change		\$2.11	\$6.79	\$7.76	\$11.21	\$12.78
Gas \$/mmbtu, HH	\$5.93	\$3.93	\$4.28	\$5.34	\$6.20	\$6.59
Forecast Change		\$0	-\$0.64	\$0.13	\$0.92	\$1.34
Gas Sev. Tax Rate ¢/mcf	28.8¢	33.1¢	16.4¢	16.3¢	20.2¢	24.2¢

### **Severance and Royalty Forecast** (millions of \$)

	FY09	FY10	FY11	FY12	FY13	FY14
Severance & Royalty	\$1,388	\$1,178	\$1,195	\$1,341	\$1,459	\$1,546
Forecast Change		-\$145	-\$72	-\$7	\$118	\$202

After dipping to nearly \$30/bbl in late 2008, oil prices have climbed since then to exceed \$80/bbl and more recently. Benchmark prices have averaged nearly \$74/bbl - \$76/bbl during FY10, exceeding forecasts for the entire fiscal year. The current price forecasts are based on actual benchmark prices through the first three quarters of the fiscal year, and the average of price projections by Moody's, the Energy Information Administration, and the Department of Natural Resources' low price scenario. Even though the oil price projection has been increased for all years, overall mineral revenue forecasts have been reduced, especially for FY10 and FY11, reflecting a substantial widening of the normal difference between market benchmark prices (the basis of the revenue forecasts) and the implicit severance tax price of oil (reflecting severance tax remittances). The price gap was normally less than \$2/bbl for many years, became wider and more volatile with hurricanes in 2004, 2005, and 2008 (forecasts controlled for this by controlling for these hurricane events in general), and has widened to nearly \$8/bbl-\$10/bbl during FY10. The consequences of this has been \$100 million to \$120 million less severance tax revenue collected in FY10 than was expected based on market benchmark prices. This appears to be largely an oil severance tax issue, and may be, in part, due to producers locking in prices during the price trough that are substantially lower than market prices turned out to be as that production is being delivered. While a return to a normal price gap may occur as those delivery contracts expire, out of an abundance of caution, the mineral revenue



forecast currently assumes this abnormal price divergence will continue into the future. This works to hold down mineral revenue projections.

Natural gas prices continue to languish under the weight of the recession and the prospect of large shale formation reserves being developed around the country. While the current gas price situation may suggest that oil prices are currently ahead of their fundamental price, the expectation of economic recovery in FY11 and especially in FY12 and beyond supports both oil and gas price increases in those years, although some downside risk to the mineral revenue picture always exists.

Some comment should be included concerning the Haynesville Shale development in northwest quadrant of the state. While this type of formation holds potentially very large amounts of natural gas, the direct fiscal benefits of production may not be material for some years in the future. Although, over 350 wells are currently producing, the type of drilling technique used for wells in this formation benefits from an exemption to the severance tax for as much as 24 months. These wells exhibit rapid depletion (43% of total production in the first two years) and severance taxes will occur on smaller production volumes than those experienced early in the well's life. With lower gas prices, the boom in bonus receipts received in FY08 and FY09 is also not likely to occur again, and while wells producing on state owned lands will generate royalty payments, those receipts will be tempered by the lower gas prices. Thus, while total well activity is projected to be quite large over the life of the formation (over 10,000 wells in 17 years and over 1,000 currently in some stage of activity from permitting to producing), direct mineral revenue gains will require a few years of exploitation to accumulate to meaningful annual amounts.

As a further cautionary note, with the Budget Stabilization Fund filled (amnesty receipts will replenish the amount used for the enactment of the FY10 budget), all mineral revenue volatility over a total threshold of approximately \$930 million directly affects the state general fund.

#### **Sales Tax Forecast** (millions of \$)

	FY09	FY10	FY11	FY12	FY13	FY14
General	\$2,763	\$2,253	\$2,370	\$2,454	\$2,546	\$2,647
Forecast Change		-\$110	-\$116	-\$73	-\$76	-\$79
Vehicle	\$308	\$263	\$267	\$299	\$324	\$336
Forecast Change		\$7	\$4	\$4	\$4	\$5
2.3% Busi. Utils.		-\$156	-\$156	-\$156	-\$156	-\$156
Other Susps Expire		-\$32	-\$32	-\$32	-\$32	-\$32

Both general and vehicle sales taxes surged in FY06, the fiscal year of the storms. After that the general sales tax sharply slowed its growth in both FY07 and FY08 and, with the help of a tax cut on business utilities, tax receipts actually fell by 3.6% in FY09. Vehicle

sales taxes exhibited negative growth immediately in FY07 and FY08, and then fell dramatically in FY09 (17.4% cash drop) as the recession hit the auto market.

The recession and the bulk of the business utilities tax cut are now hitting the general sales tax in FY10 in a very big way. Receipts through March are 21.6% behind prior year, with six of eight months exceeding 20% drops compared to the prior year. While tax cuts on business utilities and other purchases took affect in FY10, drops of these magnitudes reflect dramatic retrenchment in general household and business spending. The forecast for FY10 has been reduced by another \$110 million (\$350 total so far this year), and this bleeds over into comparable reductions in the forecasts for subsequent years. It should be noted that this new forecast still anticipates improvement in this spending retrenchment by the end of the fiscal year, implying a 18.4% drop in receipts; below the rate of decline currently being experienced.

The beginning of a turnaround may be evident in the March collections. They were 12.8% below prior year; a seemingly bad month but, in fact, much better than all the earlier months of the fiscal year. While one point doesn't make a line or trend, a turnaround will start with one month that is not as bad as the months before. There is some optimism that March is that first month. However, downside risk still exists with this revenue source. Collections could still finish weaker than even this forecast anticipates depending on the length and severity of the recession-induced spending retrenchment. Reflecting the absolute size of this revenue source, each 1% drop in this tax equates to over \$27 million of lost receipts.

While the Louisiana economy is somewhat shielded from the severity of economic problems afflicting the rest of the country, when it come to the largest consumer durable purchase (automobiles), Louisiana households and businesses are very much like the rest of the nation. Vehicle sales tax receipts dropped by 17.4% in FY09 and continue to drop in FY10; 10.5% behind prior year through March. Fortunately, this actually represents an improvement relative to forecast. The cash-for-clunkers program early in the fiscal year and pent up demand after three years of net reductions in auto purchases is working to keep tax receipts "only" 10.5% down so far this fiscal year. Consequently, a small addition to the FY10 forecast is made, but the overall baseline for this tax is still reduced for subsequent years.

**Personal Income Tax Forecast**  
(millions of \$)

	FY09	FY10	FY11	FY12	FY13	FY14
Income Tax	\$2,966	\$2,467	\$2,565	\$2,743	\$2,936	\$3099
Forecast Change		-\$126	-\$146	-\$8	-\$89	\$140
Excess Item 3 <sup>rd</sup> Phase		-\$118	-\$127	-\$136	-\$147	-\$158
Expand Brackets		-\$359	-\$251	-\$262	-\$273	-\$285
Tuition Deduction		-\$23	-\$25	-\$26	-\$27	-\$28

The personal income tax had been a strong suit of the state's revenue base, exhibiting remarkable resiliency in the post-storm period. Receipts grew 4.6% in the storm year of FY06, then surged 29.7% in FY07. FY08 had to be a weaker year, following such a surge year and experiencing phase one of the excess itemized deduction give-back, and finished 0.6% (flat) on a cash basis and down 2.7% on an accrual basis. FY09 also had to be a down year largely due to tax breaks hitting that year; excess itemized deduction phase two, a new earned income credit, and one-time insurance premium credit. Consequently, receipts dropped 6.4% in that year. That was actually a better than expected performance (by some \$132 million), and that resiliency initially carried over into this fiscal year.

However, the personal income tax is now expected to drop in FY10 by some \$499 million (16.8%), as a result of more job losses in calendar year 2009 than previously reported (nearly 25,000 more jobs lost by December 2009 than previously reported) and tax cuts; phase three of the excess itemized deduction give-back, the expansion of tax brackets, and a new deduction for expenses of K-12 school tuition, uniforms, and supplies. A particular difficulty of this forecast revision is judging how much of the tax cuts have already been realized in collections through March, along with an apparent filing pattern change with taxpayers filing earlier than usual. Some incremental judgments were made concerning the current fiscal year since we are essentially three quarters of the way through the year, but the out-year effects of these changes to the tax base remain uncertain. For FY11 and beyond the personal income tax was allowed to grow by only the projected growth in labor and proprietor income. This growth is 4% - 7% per year, but resulted in a material drop in the forecast for FY11. Differences in forecast for FY12 – FY14 reflect varying growth rates and the fact that much of the previous forecast involved incremental dollar judgments as to how the tax cuts might play out over a multi-year period. Those incremental dollar judgments have been replaced with an overall income growth approach. Forecast baseline changes can appear odd but year-to-year changes are consistent with growth in incomes that will ultimately pay the tax.

Downside risks also appear possible with this tax. Year-to-date performance through March has weakened as tax filing season has begun; 22.7% down on a cash basis and 21.5% down on an accrual basis, as large refunds are paid out. In addition, a stabilizing but weakened labor market has outweighed the resiliency that has been exhibited by this tax for the past few years. The new forecast still anticipates some improvement by fiscal year end; 16.8% drop from prior year, but performance so far has been worse than that. As with sales tax, the absolute size of this revenue source means that each 1% drop in this tax equates to over \$29 million of lost receipts.

**Corporate Tax Forecast**  
(millions of \$)

	FY09	FY10	FY11	FY12	FY13	FY14
Income & Franch	\$825	\$392	\$399	\$381	\$339	\$348
Forecast Change		-\$50	\$0	\$0	\$0	\$0
Borrowed Capital		-\$90	-\$161	-\$161	-\$161	-\$161

After four years of growth, corporate collections reached their peak for the cycle in FY07 at \$1.052 billion, by far a record high in absolute dollar terms. This essentially doubled approximately twenty years of a norm of \$400 million to \$600 million per year. Three of those years experienced double-digit growth as high as 51%. This very strong performance was driven by global economic growth, oil price increases, and U.S. dollar exchange rate declines benefiting the broadly defined energy sector and exporters in the state.

However, this streak ended in FY08 with a drop of \$113 million (-11%), and this weakness has extended into FY09 and appears likely to persist through FY13 before turning around. The downside of the corporate tax cycle results from the national/global recession and the fall in energy prices from their mid-2008 peaks. In addition, the phase-out of borrowed capital from the franchise tax base began to take a real bite out of receipts in FY08 (22% drop). FY09 experienced another 9% drop, and FY10 and FY11 will experience the final phases of this tax break, 70% and 100%, respectively.

For FY10, cash basis collections through March are 63% lower than last year, and 67% lower on an accrual basis. With most of these taxes collected in the last quarter of the fiscal year, even collections this far through the fiscal year don't necessarily predict the entire fiscal year very well. However both tracks indicate sharply falling collections consistent with economic conditions and the tax phase-out. Consequently, the FY10 forecast has been reduced materially (52.5% drop in FY10 from FY09), with no change made in the forecasts for subsequent years. These years were already held down to modest levels with little growth, and still look reasonable.

On both the upside and downside, caution is always advised with corporate forecasts due to the highly volatile characteristics of these receipts. Double-digit annual growth and declines are possible. In addition, roughly one-half to two-thirds of these revenues are collected in the last quarter of fiscal year. The risk to this revenue source is likely to the downside, though, dependent upon the length and depth of the national and global recession. Even as economic growth recovers though, these receipts may stay weak for a while as business losses from the recession show up as net operating loss deductions in the later periods of growth and profitability.

**Motor Fuels Tax Forecast**  
(millions of \$)

	FY09	FY10	FY11	FY12	FY13	FY14
Gasoline & Spec Fuels	\$591	\$582	\$570	\$568	\$578	\$593
Forecast Change		\$16	\$6	\$0	\$0	\$0

Combined gasoline and special fuels (diesel) performed modestly well in the post-storm period, of FY06 and FY07, growing by 3.0% and 2.3%, respectively. However, both FY08 and FY09 saw drops in these receipts, 1% and 1.7%, respectively. Ending weakness in FY08 was probably the result of energy prices that peaked in the summer of 2008. Weakness in FY09 probably reflected the building recession. That weakness has continued in FY10, with collections 2.6% down through March. The revised forecast is actually an improvement to about a 1.5% drop in FY10 with further declines in FY11 and FY12 before growth returns in FY13. Although, retail pump prices are down from their summer 2008 historic peaks, oil prices are heading back up and pump prices are gradually following. It will likely take a stronger economic recovery to reverse the demand destruction that has already occurred, and return this revenue to a positive growth path.